



Election of a Non-resident Corporation and a Canadian Creditor in Respect of Loans

- This form is used by a non-resident **parent corporation** and a person resident in Canada, or a non-resident insurance corporation carrying on business in Canada (**the creditor**), from whom the **parent corporation** has borrowed money that has been loaned, in whole or in part, at the same interest rate, to a **subsidiary** wholly-owned **corporation** resident in Canada where all conditions in section 218 apply.
- All legislative references are to the *Income Tax Act*.
- The principal business of the **subsidiary corporation** must be the making of loans.
- By filing this election, the interest paid is not subject to withholding tax under Part XIII.
- This form applies only to any payment of interest made 12 months or less before the date the election was filed.
- The **parent corporation** and the **creditor** must both complete this form and mail it separately from any other return to the **subsidiary corporation's** tax centre.
Find the subsidiary corporation's tax centre address by going to cra.gc.ca/tso.

Do not use this area

Name of non-resident parent corporation
Address

Name of creditor	Social insurance, trust account, or business number
Address	Tax services office
Creditor is: <input type="checkbox"/> a resident of Canada <input type="checkbox"/> a non-resident insurance corporation carrying on business in Canada	

Name of subsidiary corporation	Business number
Address	Tax services office

When the principal business of the subsidiary corporation is not the making of loans **and** it re-loaned the borrowed money from the creditor to its Canadian wholly-owned subsidiary whose principal business is the making of loans, complete this part.

Name of wholly-owned subsidiary of the debtor subsidiary of the non-resident parent corporation	Business number
Address	Tax services office

Information required

1. Amount borrowed by the non-resident parent corporation from the creditor (in Canadian currency)	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; border-bottom: 1px solid black;">Year</td> <td style="width: 33%; border-bottom: 1px solid black;">Month</td> <td style="width: 33%; border-bottom: 1px solid black;">Day</td> </tr> <tr> <td style="border: 1px solid black; height: 20px;"></td> <td style="border: 1px solid black; height: 20px;"></td> <td style="border: 1px solid black; height: 20px;"></td> </tr> </table>	Year	Month	Day			
Year	Month	Day					
Date on which the non-resident parent corporation borrowed the amount							
Rate of interest on the money borrowed	_____ % per year						
2. Amount that was loaned by the non-resident parent corporation to its subsidiary for money borrowed from the creditor (in Canadian currency)	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; border-bottom: 1px solid black;">Year</td> <td style="width: 33%; border-bottom: 1px solid black;">Month</td> <td style="width: 33%; border-bottom: 1px solid black;">Day</td> </tr> <tr> <td style="border: 1px solid black; height: 20px;"></td> <td style="border: 1px solid black; height: 20px;"></td> <td style="border: 1px solid black; height: 20px;"></td> </tr> </table>	Year	Month	Day			
Year	Month	Day					
Date on which the non-resident parent corporation loaned the money to the subsidiary corporation							
Rate of interest on the money loaned	_____ % per year						
3. Date on which the loan was assigned to or acquired by the subsidiary wholly-owned corporation of the wholly-owned Canadian corporation whose principal business is not the making of loans, if applicable	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; border-bottom: 1px solid black;">Year</td> <td style="width: 33%; border-bottom: 1px solid black;">Month</td> <td style="width: 33%; border-bottom: 1px solid black;">Day</td> </tr> <tr> <td style="border: 1px solid black; height: 20px;"></td> <td style="border: 1px solid black; height: 20px;"></td> <td style="border: 1px solid black; height: 20px;"></td> </tr> </table>	Year	Month	Day			
Year	Month	Day					

Election and certification

The **parent corporation** and **creditor** named on page 1 of this form, elect under subsection 218(3) and certify that the information entered on this form is true, correct and complete.

Parent corporation

Name of authorized officer for the parent corporation

Position or office

Signature of authorized officer for the parent corporation

Date yyyy/mm/dd

Creditor

Name of authorized officer for the creditor

Position or office

Signature of authorized officer for the creditor

Date yyyy/mm/dd

Privacy statement

Personal information is collected under the *Income Tax Act* to administer tax, benefits, and related programs. It may also be used for any purpose related to the administration or enforcement of the *Act* such as audit, compliance and the payment of debts owed to the Crown. It may be shared or verified with other federal, provincial/territorial government institutions to the extent authorized by law. Failure to provide this information may result in interest payable, penalties or other actions. Under the *Privacy Act*, individuals have the right to access their personal information and request correction if there are errors or omissions. Refer to Info Source at cra.gc.ca/gncy/tp/nfsrc/nfsrc-eng.html, Personal Information Bank CRA PPU 047.